

OCT 09 2017

Edwards,Michelle

CITY CLERK

From: Neil Garrison [nvgarrison@gmail.com]
Sent: Monday, October 09, 2017 2:00 PM
To: Elliott,Earl
Cc: Azar, George; Auler,Amy; Don Morris; Nasser,Karrum; DeBaun,Curtis; Nation,Todd; Garrison,Neil; Crossen,Martha; Bennett,Duke A; Edwards,Michelle
Subject: *Ext!* Re: Golf courses

****External Email - Think Before You Click****

- Helpdesk

Thanks Earl for the analysis. I look forward to the discussion.

Neil

Sent from my iPhone

On Oct 7, 2017, at 2:16 PM, Elliott,Earl <Earl.Elliott@TerreHaute.IN.Gov> wrote:

All, I spent time Friday summarizing the golf course deficits for the five years ended 12/31/16. In summary, the total average annual deficit for the last five years is \$487,634. Let's call it \$500,000. Average annual revenue for this period was approximately \$900,000 and average annual expense was approximately \$1,400,000. Working with these numbers I estimate the deficit could be cut in half if revenue increased 15% (\$135,000) and expense decreased 6%(\$85,759). these two amounts plus a small underspend hits the \$250,000 reduction. Why a \$250,000 improvement? I could live with that for 2018 if the privatization process does not proceed in time. A \$500,000 deficit for 2018 is not acceptable to me. Smaller deficit targets should be the goal for 2019 and later years to eventually get them to whatever we are collectively comfortable with.

Parks Department has \$461,000 of 2018 budgeted miscellaneous revenue and \$2,500,000 of 2018 budgeted expenses. That is shortfall of \$2,039,000 that is made up by property tax revenue. \$250,000 of golf course deficits appear reasonable compared to \$2,039,000 of property tax revenue received by the Parks Department. \$500,000 of golf course deficits are just too high compared to the \$2,039,000. This is just my opinion. We may reach a different conclusion when we discuss this issue. I just want to get the conversation started.

We have no control over the fee schedule set by the Park Board but we do have a say in the expenses. I believe a 15% increase in fees would work Ok. I believe we should reduce the budgets by the 6 % and if the Park Board does not increase the fees by an acceptable amount, we can revisit the 2018 budget and make additional changes.

We have been waiting long enough on this privatization process to come to a conclusion. We